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No. 1

SIGNIFICANCE OF JAPANESE 23 JANUARY ELECTIONSA. Effect on US interests. (Summary)

The conservative victory in Japan's 23 January elections can be expected to favor US short-range security interests there, since the Government's increased parliamentary stability should hasten economic recovery. Despite expected friction between the Government and SCAP, Japanese conservative interests will maintain their basic orientation towards the US. Long-range interests are less well served, however, since the conservative triumph will both increase the threat of left-wing and right-wing extremist activity and make many of Japan's Far Eastern customers hostile to the revival of trade, thus increasing the subsidy costs necessary to maintain the US position in Japan. The likelihood of quick international agreement on peace terms is also diminished.

B. Political background.

In contrast to the two previous national elections since the surrender of Japan, the 23 January election was held as a result of Japanese initiative.⁽¹⁾ Even since the resignation of the Socialist KATAYAMA Coalition government (a grouping of Socialists, Democrats and People's Cooperatives formed after the 1947 elections) in February, 1948, YOSHIDA's Conservative Democratic-Liberal Party had tried to bring dissolution of the 1947 Diet. A new coalition of the same parties, under the leadership of Democratic Premier ASHIDA, succeeded to power instead, thus postponing dissolution. The ASHIDA regime was characterized by a growing rift between its right-wing Democrats and left-wing Socialists and the exposing of political

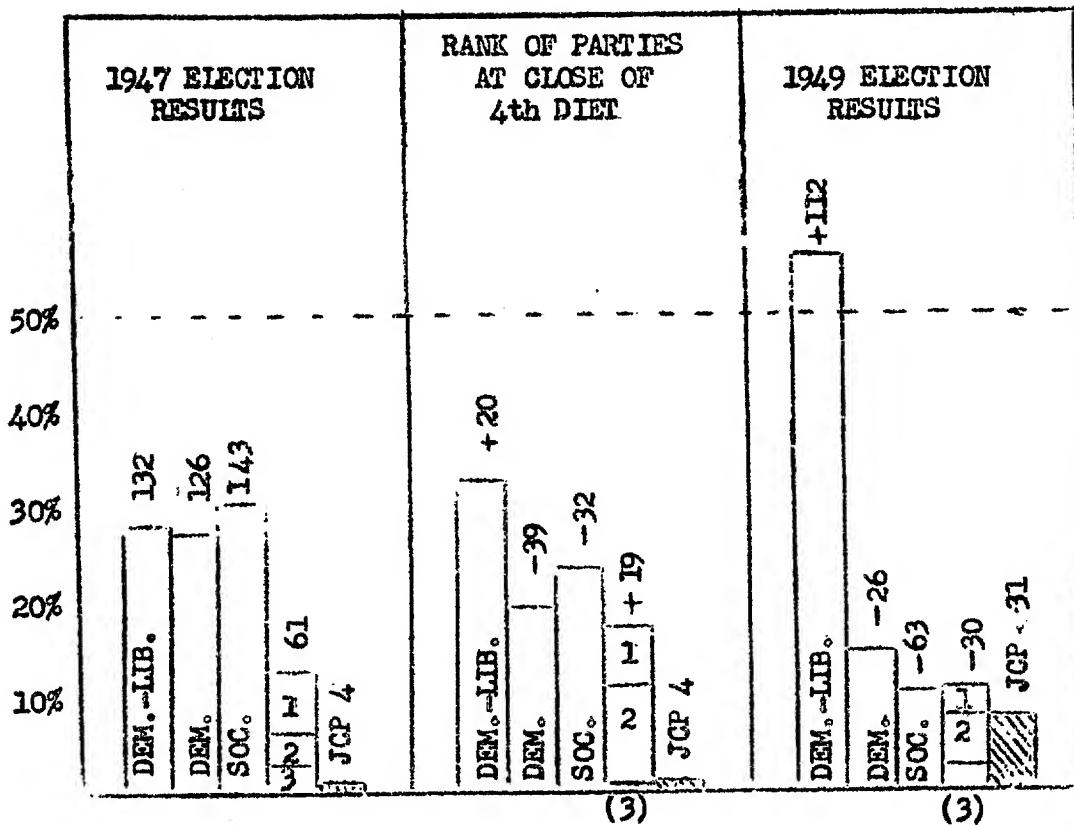
Footnote

(1) The first (May 1946) elections were called to form a Diet acceptable to SCAP since most Diet members at that time had been selected for election in 1942 by wartime Premier Tojo. SCAP influence was even more apparent in the second elections (April 1947). In February, that year, General MacArthur told Premier Yoshida that a new legislative body was needed to inaugurate the new Constitution, scheduled to come into force on 3 May. The timing of SCAP's advice provided an outlet at the polls for the anti-government feelings of leftist labor elements, whose general strike had been forestalled by the SCAP ban of 31 January.

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(1. People's Cooperative - 2. Minor Parties - 3. Independents)

scandals which finally necessitated the cabinet's resignation - both factors favorable to the growth of YOSHIDA's strength. When YOSHIDA succeeded ASHIDA as head of a new coalition (Oct. 1948), he declared his intention to dissolve the Diet at the earliest possible date, not only to take advantage of his party's increased popularity and the discredited position of the opposition "center" parties but also in order to resolve his embarrassing minority position (152 out of 466 seats - see graph). His opposition did everything possible to delay dissolution not only because many members feared that their Diet careers would end but also because they felt each day in office reduced

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YOSHIDA's popularity. As a consequence of the opposition's successful employment of delaying tactics and the necessity of pushing SCAP's anti-strike legislation through a special session, YOSHIDA was forced to wait until 23 December to dissolve the Diet.

C. Pre-election trends.

When the campaign for the 23 January elections officially began on 27 December, most Japanese politicians had been actively anticipating elections for at least six months. As early as April, SCAP took the Diet to task for failing on several occasions to muster a quorum in the Lower House due to the absence of members busy "mending fences" in their constituencies. By September, the still-unscheduled election was foremost in the minds of all party leaders and the desire to appeal to the electorate colored almost every Diet activity during the fall sessions.

Two major trends were evident during the pre-election period. First was a decline of the "center" parties of the KATAYAMA and ASHIDA coalitions both in parliamentary strength and in popular support. Socialists, Democrats and People's Cooperatives alike lost individual Diet members through purges of public office-holders tainted with support of wartime activities, disqualifications of persons involved in political malfeasance and defections of party members. The Socialist Party which had emerged from the 1947 elections with a plurality of 143, had lost 32 seats by the close of the 4th session. The Democratic Party, organized as the advocate of "middle-of-the-road" policies and the key component of the coalition dropped from 126 to 90 seats. The People's Cooperatives lost 2 out of 31 seats.

During the same period, popular support of the "center" parties fell correspondingly. A measure of this loss may be attributed to the inability of the coalition governments to mitigate appreciably the economic hardships suffered by the average man. At the same time, growing disharmony among coalition members and lack of discipline within the component parties brought about a decline of public faith in the center parties. Public scandal, however, was the most damaging single factor. While all parties except the Communists suffered from the publicity attending the Showa Denko exposé and other investigations, the number and position of "center" parties figures involved aroused public indignation.

The decline of the "center" parties contributed to the second major pre-election trend - a tendency towards political polarization. Parties of both the extreme right and left showed increased strength in the period between elections. The Democratic-Liberal Party, inaugurated in March 1948 as the nucleus of an eventual single-right-wing group, made notable gains. Despite disqualification of a sizeable number of Democratic-Liberal Party members in consequence of purges and hoarded goods investigations, Democratic-Liberal Lower House strength grew from 132 seats in April, 1947 to 152

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seats in December, 1948. The Democratic-Liberals considerably strengthened intra-party unity and energetically extended local organization during the same period.

On the extreme left, the Communists did not make notable gains in parliamentary affairs. Their influence in trade unions, however, did rise noticeably from the low point of Communist prestige in the spring of 1947 when the Japanese people acquiesced in the best authoritarian tradition to the SCAP ban of the general strike which the Communists had been planning. For a time the Communist position in important trade unions was seriously threatened by "Democratization Leagues" of Socialists and independent anti-Communists who banded together in an attempt to seize trade union leadership. By the summer of 1948, however, the Communists had recaptured key positions in leading trade unions. They attracted numerous dissident civil servants to their ranks through outspoken opposition to the SCAP-directed restrictions on Government workers rights. By redoubled efforts in private industry, they exploited dissatisfaction among industrial workers and maintained their self-assumed position as aggressive champions of working-class interests.

On the fringes of the Socialist Party's left-wing and the Democratic Party's right-wing some minor elements actually defected to the Communists and Democratic-Liberals respectively. More important than these defections, however, was the instability within the "center" parties caused by the polarizing forces. On the right, pressure for merging the Democratic Party with the Democratic-Liberals, led by the Taiyokai Faction within the Democratic Party - some of whose members had seceded from the Democratic Party in December 1947 and joined the Democratic-Liberal Party in March 1948 - increased considerably. Election of INUKAI Ken to succeed ASHIDA Hitoshi as president of the Democratic Party also favored development of a right-wing coalition. On the left, a number of dissidents withdrew from the Socialist Party. Some of them remained independent, but one group which included an important leader of the Japan Farmers' Union, KURODA Hisao, set up the Labor-Farmer Party. This new group avowed orthodox Socialism but associated itself with individual Communists on numerous issues.

D. Analysis of election trends.

The election results indicate that the tendency towards polarization has advanced much further than anticipated. Premier YOSHIDA's conservative government gained a clear-cut victory for the extreme right. His Democratic-Liberal Party won 264 seats, a gain of 112, to win majority control. This means establishment of the first single-party government since the war's end, elimination of coalition cabinets and increased governmental stability. The sheer weight of Democratic-Liberal gains indicates a considerable resurgence of conservative forces in Japan. A tally of the total conservative vote that

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may be anticipated on matters of issue as opposed to party strategy, shows that conservatives in the Diet outnumber their opponents 3 to 1.

On the extreme left, the Japan Communist Party (JCP) achieved unexpected success despite the measures taken by the Occupation and the Japanese Government to curb its influence. The Communists jumped from 10th to 4th largest Diet party, adding 31 seats to their previous 4. Communist share of the popular vote rose from 3.7% in the 1947 elections to 9.5%. The fact that the Communist Diet gains far outstripped the increase in popular strength can be attributed to the provisions of the election law which has been in effect since March 1947. This law provided for a multi-member medium size constituency and the single entry ballot. Since each voter had only a single vote the Communist, by putting up only one candidate in the district in which they ran, benefitted by the concentration of votes where the "center" parties, especially the Socialist by entering more than one candidate suffered from scattered support. While the concentration of the Communist vote in urban areas indicates that the JCP's greatest strength lies in its appeal to industrial workers, clerks and intellectuals, successful election of JCP candidates in predominantly rural prefectures - some candidates were listed as farmers - is a significant indication of the first successful Communist wooing of the agricultural vote.

Communist gains climaxed a long and vocal campaign, designed to take advantage both of the frustrations of Japan's post-war position and the economic hardships faced by the average Japanese. Besides the broad popular appeal of direct and virulent JCP attacks on current high taxes and the past record of ineffective Government anti-inflation measures, the Communist campaign beat the drum of nationalism in a manner intended to place anti-occupation sentiment firmly behind the Party. The Communist Party's high degree of organization, their word-of-mouth-type of publicity, and their apparently adequate financial resources of undetermined origin, all proved highly effective.

Perhaps the most significant Communist gains were in constituencies where trade union strength was predominant. Several Socialist local chapters had gone over to the JCP in the weeks preceding the election. It is evident that the Communists have rallied to their banner large numbers of workers dissatisfied with the restrictive labor legislation which the government has implemented at SCAP "suggestion". The sweep of Communist victories in China also created anxieties which were useful to the JCP. CHIANG's resignation, on the eve of the elections, gave dramatic support to claims that the JCP was best qualified to guide Japan to close future friendship with the "New China".

The Japanese electorate went far towards repudiation of the "center" parties. The Socialists, who less than two years ago were able to name

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the Premier because of their ranking position in the Lower House, lost 63 seats out of 111, leaving them only 13 places ahead of the JCP. Not only were Socialist Party president KATAYAMA Tetsu and former right-wing Socialist leader NISHIO Suehiro defeated, but even leaders of the moderate left-wing, such as KATO Kanju, his wife KATO Shizue and NOMIZO Masao, were rejected. Had the loss in Socialist representation been confined to the elimination of the Party's factional left and right wings, the election might have been followed by the Party's resurgence as a capable and responsible opposition to the extreme rightist Democratic-Liberals. But the crushing nature of their defeat raises serious questions as to the ability of the Socialists to recover their position for some years.

The Democrats retained 70 of their former 90 seats. This may be explained in part by the affinity of their basic conservatism with that of the successful Democratic-Liberals and in part by the habits of Japanese voters who place greater reliance on candidate popularity than on party platforms. The fact that the Democratic-Liberals won a clear working majority, however, effectively eliminates the Democrats' anticipated bargaining power. Furthermore, the weakened position of the Socialists makes further cooperation between the "center" parties pointless and may be expected to strengthen the disaffection of those rightist Democrats who abhorred socialist principles and only reluctantly cooperated with the Socialist Party.

The People's Cooperatives dropped from 29 to 14 seats, thus contributing their mite to the decline of the "center" parties. This small loss, however, is more significant when considered in relation to the decrease in the number of successful candidates running on independent and minor party tickets. It is too early to say so flatly, but the trend away from the multiplicity of party and individual representation, which typified the 1946 elections, suggests a developing political sophistication on the part of the Japanese that will spell the doom of minor parties and independents.

E. Probable character of the new Government.

YOSHIDA's position in the new Diet is excellent. Since the newly-elected Representatives will serve for 4 years, YOSHIDA can be confident of decisive control for a long enough time to prepare and implement a government program with reasonable chance of success. Any post-election maneuvering among the Diet members may be expected to add further strength to the Democratic-Liberals as independents seek safety in their fold. A number of Democrats, known to favor consolidation of conservative parties, may also be added to the Democratic-Liberals ranks. YOSHIDA has already suggested a conservative coalition with the Democratic Party as a whole. This tactic would smooth the path to eventual merger by a judicious offering

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of cabinet posts to the Democrats, while avoiding for the present the difficulties of "digesting" a potentially fractious group that might, in company with younger Democratic-Liberal elements already agitating for greater self-expression, upset Party harmony.

YOSHIDA refused to indicate his administration's policy as long as the last Diet was in session and prolonged debate by opposition parties could delay the impending elections. Nevertheless, the general outlines of the program which his new government will attempt to carry out are fairly clear. YOSHIDA's Party advocates the development in Japan of a governmentally-guided economy based on competitive free enterprise, but allowing of some cartelization in the interest of maximum benefits. The YOSHIDA government may be expected, on the one hand, to develop increased foreign trade and promote foreign investments in Japan, and on the other, to take stronger measures against labor. There will be a definite attempt to undo such limited efforts towards nationalization as the State Control Bill passed during the KATAYAMA regime, a relaxation of Japanese implementation of the purge within the framework of Occupation requirements, pressure for a reduction of government costs and an attempt at moderation of taxes aimed at big business. The governmental stability produced by the elections should also permit YOSHIDA to implement the US-directed economic stabilization program.

Strengthening of the JCP Diet position may be expected, through working arrangements with minor left-wing parties. Attempts to form a front with the Socialists in the Diet probably will not succeed. Nevertheless the Communists are in a position to dominate the "opposition". Since the Socialists are now unequivocally in the opposition, however much they may attempt to dissociate themselves from the Communists, they will be placed in an embarrassing situation should they ignore any JCP stand on behalf of labor and opposed to the Government. Despite appreciable gains, the Communist remain essentially a minority group and can exploit their increased strength primarily for its nuisance value alone. Their increased prestige, however, may be expected to add materially to the Communist capabilities outside parliamentary channels, especially in labor.

F. Effect on US security interests.

In the short run, the Democratic-Liberal victory in Japan probably will promote implementation of the recent nine-point US economic directive. Friction between the Government and SCAP may be expected to increase since YOSHIDA is likely to differ with SCAP over the manner and means of effecting Japanese economic recovery, especially with regard to the extent of controls. YOSHIDA's triumph, in view of the known coolness in his personal relationships with SCAP officials, places the Japanese Government in a much stronger position vis-a-vis the occupying forces. Neither of these,

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developments, however, are likely to alter the basic orientation of the YOSHIDA Government and associated Japanese conservative interests towards the US.

In the long run, the conservative triumph may harm US security interests and may increase the cost of maintaining the US position on Japan. The increasing polarization of Japanese political parties into extreme right and extreme left may well be accelerated, thereby increasing the threat of extremist action by either wing. From the left, violent reaction against the conservative government may develop, drawing strength from the fact that any government's ability to solve Japan's economic difficulties is limited by forces beyond Japanese control and further, that any improvement in Japan's international economic position will not be reflected immediately in improvement of the lot of the average Japanese. Left-wing extremist will attack any program of economic development advanced by the conservatives as unjust in its allocation of cost among the various elements within Japanese society. They may further be expected to magnify their propaganda attacks on the alleged subservience of conservative forces to US imperialist aims.

On the right, it would be unwise to ignore the possibility implied in the growing conservative strength in Japanese politics that conservative forces in Japan - the business, financial and landed interests, as well as the bureaucracy - will seek to retain as much of their privileged position as possible in the traditional pattern of Japanese society.

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ability of moderate elements to provide a broad and stabilizing influence in the conflict between extreme left and right has been seriously impaired, if not eliminated.

International repercussions adverse to US interests may also be expected. Japan's former enemies, associated with the US in the Far Eastern Commission in establishment of Japan's post-surrender status and in mutual protection against a revival of Japanese aggression, may be expected to view with increasing alarm implications of US policy which might threaten their own security. Revival of trade with these countries may well be retarded by local fears of Japanese economic and military resurgence associated with previous conservative dominance in Japan. Without trade revival, the cost of US economic subsidization will be correspondingly increased.

The conservative resurgence will make it increasingly difficult to secure international agreement to a Japan peace treaty satisfactory to the US. The trends evidenced by the elections render even more difficult the task of obtaining international acquiescence to, not to mention support

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of measures which it may be necessary to take in Japan in the protection of US security interests.

The election results imply for the US an increased burden of responsibility for supervising Japan's post-war development. The fact that Japanese conservatives offer temporarily increased stability can be expected, however, to bring pressure for a reduction in occupation strength to parallel the anticipated diminishment of internal needs both for US security forces in Japan and for large-scale SCAP direction of activities. Maintenance of the US position in Japan can be expected to become increasingly difficult. The conservatives' use of US-underwritten democratic institutions to make their coup will only underline the difficulties of the position.

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